

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA :
:
v. : 1:21CR4-1
:
ADAM CHASE WALLACE :

FACTUAL BASIS FOR A GUILTY PLEA

NOW COMES the United States of America, by and through Sandra J. Hairston, Acting United States Attorney for the Middle District of North Carolina, and states that the factual basis for a guilty plea is as follows:

Special Agents with Homeland Security Investigations (HSI) Newark notified Special Agents with HSI Charlotte that beginning on November 26, 2020, they received information from a Source of Information (SOI), later identified as an individual residing in California, regarding a contact he knows as "Adam" who was filming himself sexually abusing, as well as producing lewd and lascivious videos and photographs, of two female minor victims, approximate ages four (Minor-1) and eleven (Minor-2). The SOI believed he was communicating with other pedophiles and was unaware he was communicating with undercover agents (UC) from HSI Newark when he shared all this information, including the videos and images. The SOI claimed that he was in California and continued to communicate with the UC in

Newark leading up until the SOI's arrest. In a communication in November of 2020, the SOI told the UC that "Adam" was texting him directly on his mobile phone. The SOI did not provide a phone number for "Adam."

**Undercover Agents Identify Child Pornography Distribution in
North Carolina**

The SOI told the UC that "Adam" was from "North Carolina" and gave information as to how Minor-1 and Minor-2 were associated with "Adam." The SOI alleged "Adam" told him that he had started "training" Minor-1 since the age of one. The SOI told the UC that he had requested "Adam" to produce a video. The SOI stated "Adam" produced a video, identified with file name "1_5172931174774866209.mp4," which depicted Minor-1 displaying her genitalia in a lewd and lascivious manner while wearing ripped panties and being spanked by an adult male hand. The UC captured and retained these communications between the SOI and UC.

In addition to the child pornography described above, the SOI provided an Instagram account to the UC for Minor-2 that included Minor-2's first name in the username. The SOI stated he had been in contact with "Adam" via internet platforms Telegram and Instagram and reportedly met him in October of 2020. "Adam" shared the videos and images with the SOI who, in turn, shared them with the UC. After receiving the Instagram account of Minor-2, HSI Newark identified, via open source internet searches and social media

including Instagram and Facebook, the familial relationships of Minor-2: her mother, hereinafter Parent-2, and Minor-1's mother, hereinafter Parent-1. Agents did so by looking at followers of Minor-2's Instagram account, which in turn led to associated Facebook accounts and Instagram accounts with images of the victim children. This information was further verified through commercial and law enforcement databases. Images on these public social media platforms were consistent with images of Minor-1 and Minor-2 and their alleged associations with Wallace. They also located an associated physical address in Cabarrus County, North Carolina ("Residence-1".)

In one of the videos provided to the SOI and then to the UC, Minor-2 is depicted performing fellatio on the same adult male seen in the other video and photographs. The video is identified with file name "1_5165658691336143201.mp4" and is approximately 1 minute and 30 seconds in duration.¹ Additionally, in another still image, Minor-1 is depicted performing fellatio on an adult male. Minor-1's face is clearly visible in this image with file name "IMG_20201003_01523_900.jpg." In another image which was later identified as featuring Minor-2, the adult male has his penis inserted into the victim's anus. This image has file name

¹ The SOI was later identified as Gary Michael MacFarlane. MacFarlane has pending child exploitation charges in the United States District Court for the Central District of California (2:21CR36), including those related to the distribution of this video depicting Minor-2.

“IMG_20201129_130237_417.jpg”. Although the adult male’s face is not seen in any video or photograph, the exposed torso, arms, and genitalia are consistent throughout all videos and images provided by the SOI to the UC.

In a communication between the SOI and UC on November 29, 2020 at approximately 12:34 PM, the SOI wrote, “... He (“Adam”) was supposed to have [contact with Minor-1 while he was in town] and his plan was to take her to a cabin that he was renting and he asked me of anything I would like for him to do with her. The ripped panties were my idea ...” The mention of the cabin is consistent with the background of a cabin in several of the images viewed by HSI Special Agent L. Swafford (“SA Swafford”). This location differs from several of the other images wherein the background appears to be that of a typical residence.

In a Facebook posting from the account with the display name including the name of Parent-1, Wallace is seen sitting next to Minor-1. This photograph of Wallace is consistent with his North Carolina Department of Motor Vehicles photograph. Visible in this photograph are distinct mottled black patches on Wallace’s right arm. In one of the videos sent by “Adam” to the SOI, file name “VID_20201129_130254_745.mp4,” a female child victim, later identified as Minor-2, with genitalia exposed in a lewd and lascivious manner, is digitally penetrated in the anus by the left pinky finger of an adult male. Clearly visible in this video are similar and distinct mottled black patches on the adult’s hand

and fingers consistent with resembling what may be described as asphalt or roofing sealant. Employment records indicate Wallace worked for a sealant company in Charlotte, North Carolina.

On December 3, 2020, SA Swafford obtained a federal search warrant to seize and search all devices in Wallace's possession. On December 4, 2020, while attempting to locate Wallace, SA Swafford spoke with a resident at Residence-1. SA Swafford showed the photograph which depicted Wallace and Minor-1 that agents found on Facebook. The resident confirmed that the man in the image was Wallace and told agents the photograph was taken on his porch where they were standing. The resident also told agents that Wallace was working in the Wilmington area and he had not seen him since October 2020. The resident further explained that when Wallace was in town in October, 2020, he rented a cabin close by. Agents were able to determine that the cabin was located at T.N. Spencer Park in Cabarrus County, North Carolina.

After meeting with the resident at Residence-1, agents went to T.N. Spencer Park where they met with Park Ranger Robinson. Robinson provided agents with a copy of the cabin rental agreement executed by Wallace on October 2, 2020. The rental agreement confirmed that Wallace rented cabin #1 for two nights and noted that Parent-1 was listed as the emergency contact.

Wallace paid with a credit card in his name. Park Ranger Robinson then took agents to cabin #1, which was currently unoccupied. SA Swafford immediately recognized the interior of the cabin as consistent with the videos sent by Wallace to the SOI where Minor-1 was sexually abused. Agents also took photographs of the inside of the cabin and compared them to the still images from other still images shared by the SOI and determined they were the same location.

Search of Wallace

The resident at Residence-1 then called SA Swafford and told him that Wallace was in town for a few days. Agents returned to Residence-1 and established surveillance around the area. When Wallace arrived, agents approached him and asked if he would talk with them. He agreed. Wallace's mobile phone was then seized pursuant to the search warrant. Wallace voluntarily gave the passcode for his phone and computer forensic analysts (CFAs) conducted an on-site preview of the phone. CFAs located child sex abuse material. Agents also located a mini SD card tucked between the cell phone and its case. SA Swafford then informed Wallace that he was under arrest and transported him to the Cabarrus County Sheriff's Office, where he was Mirandized and agreed to be interviewed. The interview was both audio and visually recorded.

Wallace Admits to Sexually Abusing Minor-1 and Minor-2 and
Distributing the Files Depicting the Abuse

Wallace admitted to producing the images and videos where he sexually abused Minor-1 and Minor-2 and sharing those images with the SOI. Wallace admitted to sending the SOI three videos and 10-15 images of child sex abuse material. SA Swafford showed Wallace sanitized images from the files shared by the SOI and Wallace confirmed they were of Minor-1 and Minor-2. Wallace admitted to filming Minor-2 performing fellatio on him and then transferring that video to his new phone. Wallace stated Minor-2 was between the ages of five to seven at the time. Wallace also discussed his abuse of Minor-1 at the cabin in T.N. Spencer Park. Wallace claimed he called Parent-1 and invited her to the cabin so that he would stop abusing Minor-1. Wallace claimed to have shared these images and videos with three other individuals.

Wallace Admits to Abusing Minor-1 at another Residence

On December 8, 2020, Parent-1 contacted SA Swafford with additional information. Parent-1 explained that Wallace had called her from jail and admitted to sexually abusing Minor-1 at the home of a friend in Cabarrus County, North Carolina (“Residence-2”). The information is consistent with other additional images of Minor-1 performing fellatio on Wallace that were found on his digital media during the course of the forensic analysis of the mobile phone or SD card.

Forensic Review of Devices

On December 4, 2020, computer forensics expert Vincenc loaded the data associated with the Samsung Galaxy and reviewed the data. A review of the files revealed that the phone contained approximately 235 image files and 406 video files depicting individuals under 18 years of age, including prepubescent minors, engaged in various sexual acts (i.e., masturbation, oral sex, vaginal sex, anal sex, etc.) with themselves, adults, and/or other minor children or files that depicted a minor child in the nude with the focus of the image being the exposed genitalia. Vincenc also determined that the Micro SD card seized from Wallace contained 159 image files and 311 video files depicting individuals under 18 years of age, including prepubescent minors, engaged in various sexual acts (i.e., masturbation, oral sex, vaginal sex, anal sex, etc.) with themselves, adults, and/or other minor children or files that depicted a minor child in the nude with the focus of the image being the exposed genitalia. The images and videos sent from the SOI to the UC depicting Minor-1 and Minor-2 engaged in sexually explicit conduct were located on the devices.

Production of Child Pornography Involving Minor 2 on October 24,

2018

Forty-two images and six videos were recovered involving Minor-2. Multiple images depicting child pornography were among them. The following images are examples:

- a. *File Name:* IMG_20181024_180714280.jpg

Image description: This image depicts a prepubescent minor's buttocks showing. An adult male penis is in between the buttocks, touching the anus or genitals.

Image creation date: 10/24/2018 at 6:07 PM

Location data: in or around Residence-1.

- b. *File Name:* IMG_20181024_1080859927

Image description: This image depicts up close image of digital penetration of a prepubescent minor's anus, later identified as Minor-2. The hands of the individual appear to be of an adult male and are mottled with black.

Image creation date: 10/24/2018 at 6:08 PM

Location data: in or around Residence-1.

Interview of Defendant: investigators initially believe that due to the apparent age of the victim, that this was an image of Minor-1. However, during Wallace's interview, he indicated that these images were of him touching Minor-2 and that they occurred at Residence-1.

- c. *File Name:* VID_20180814_181030060_1.mp4

Image description: This is an approximately 1 minute and 30 second video depicting Minor-2 performing fellatio on an adult male penis. Minor 2's face is fully visible and recognizable in the video.

Image creation date: 8/14/2018

Victim 2 interview: In an interview with Minor-2 on February 2, 2021, Minor-2 was shown snapshot images of the 1:30 second video. She identified the male penis as belonging to Wallace and indicated that this occurred at Residence-1.

Production of Child Pornography Involving Minor-2 on June 27 and

July 1, 2020

Multiple images of Minor-1 were located on the SD card with creation dates of June 27 and July 1, 2020. The images included those of Minor-1 clothed and those depicting child pornography. They appear to be in the

interior of a residence. During a jail call with Parent-1 in December of 2020, Wallace admitted to sexually abusing Minor-1 at a friend's home at Residence-2. Data retrieved from the images on the SD card corroborate that the images were created at Residence-2. In an interview of the resident at Residence-2, the resident indicated that he rented Residence-2 and rented a room to Wallace, which included the period of time between June 27, 2020 and July 1, 2020. The following images are examples of those produced at Residence-2:

- a. *File Name:* 20200627_183948.jpg

Image description: This image depicts Minor-1 holding and adult male penis.

Image creation date: 06/27/2020 at 6:39 PM

Location data: in or around Residence-2.

- b. *File Name:* 20200927_095243.jpg

Image description: This image depicts Minor-1, with legs spread open exposing her genitals. Her genitals are the focal point of the image.

Image creation date: 07/01/2020 at 10:43 PM

Location data: in or around Residence-2.

Production of Child Pornography Involving Minor-2 on October 2,

2020

More than 50 images depicting child pornography of Minor-1 at the cabin on October 2, 2020 were located. The images had the earliest creation time of 1:54 PM and the latest time of 4:35 PM. Minor-1 was in different outfits, from wearing underwear with the crotch ripped out, to wearing pantyhose with legs

spread apart, to nude photographs where Minor-1 was wearing cat ears, to completely nude. One image depicts the face of Minor-1 with an adult male sitting on top of her with an exposed penis at Minor-1's mouth.

On February 5, 2021, Minor-1 was forensically interviewed. She was shown various pictures with the cabin the background. She identified herself in the images and described dressing in outfits Wallace gave her. When shown the image of her face with a male on top of her with a penis near her mouth, Minor-1 identified Wallace as the one who "sat on her face" and she indicated that it was "gross." Data from the images placed the images being created at T.N. Spencer Park in Concord, Cabarrus County, NC. Minor-1 also indicated Parent-1 later joined them when it was dark out. In an interview with Parent-1, Parent-1 indicated that she was called by Wallace to join them at the park and she arrived there at approximately 11:00 PM, but had no idea Wallace had been sexually abusing Minor-1. The following is an image example recovered from Wallace's SD and depicting Minor-1 at the cabin:

- a. *File Name: 20201002_142605.jpg*

Image description: This image depicts Minor-1, nude from the waist up, touching an erect adult male penis. The interior of a cabin, with wood paneling can be seen.

Image creation date: 10/02/2020 at 2:32 PM

Location data: 35.4616, -80.4928 → this latitude and longitude is T.N. Spencer Park, Concord, NC.

This the 4th day of May, 2021.

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CERTIFICATE OF SERVICE

I hereby certify that on May 4, 2021 I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing to the following:

Brian Aus, Esq.

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